

## Message Text

UNCLASSIFIED

PAGE 01 KINGST 00626 280636Z  
ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 AID-05 CIAE-00 COME-00  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04  
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15  
STR-07 CEA-01 L-03 H-02 PA-02 PRS-01 /105 W  
-----073498 290900Z /20

R 272033Z JAN 78  
FM AMEMBASSY KINGSTON  
TO SECSTATE WASHDC 9455

UNCLAS KINGSTON 0626

E.O. 11652: N/A  
TAGS: EFIN, JM  
SUBJECT: FIRST NATIONAL CITY BANK ANNOUNCES CLOSURE OF ITS  
THREE BRANCHES

REFERENCE: A. KINGSTON 0438 B. KINGSTON 0471 C. KINGSTON 0542

1. THE DAILY GLEANER REPORTED ON JANUARY 26 UNDER A HEADLINE BANNER READING "TURMOIL IN BANKING CONTINUES" THAT THE FIRST NATIONAL CITY BANK (FNCB) HAS ANNOUNCED THE CLOSURE OF THREE OF ITS BRANCHES BECAUSE THEY WERE LOSING MONEY.
2. THE PAPER CITED AN FNCB RELEASE OF JANUARY 25 STATING THAT "THIS REGRETTABLE DECISION HAS BEEN TAKEN IN VIEW OF THE CONTINUED UNPROFITABILITY OF THE THREE UNITS DURING THE LAST TWO YEARS." THE BRANCHES ARE AT NEWPORT WEST IN KINGSTON AND OCHO RIOS, ST. ANN AND MAY PEN. FNCB'S FIVE OTHER BRANCHES WILL CONTINUE TO OPERATE.
3. THE GLEANER NOTED THAT THE CLOSURE OF THE THREE FNCB BRANCHES WILL BRING TO NINE THE NUMBER OF BANK BRANCHES CLOSED SINCE NOVEMBER 1977 "BECAUSE OF THE CONTINUING DECLINE OF THE JAMAICAN ECONOMY."

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4. COMMENT: OTHER BANKS FORCED TO DISCONTINUE OR CURTAIL OPERATIONS IN RECENT MONTHS INCLUDE FIRST NATIONAL BANK OF CHICAGO (JAMICA) LTD., BANK OF MONTREAL JAMAICA LTD. AND CHASE MERCHANT BANK JAMAICA LTD. FAILURE TO OPERATE PROFITABLY IS DUE TO THE SQUEEZE RESULTING FROM A DECLINING LOAN PORTFOLIO AND THE 7 PERCENT INTEREST RATE ON DEPOSITS THAT MUST BE

PAID ACCORDING TO LAW. IT IS ALSO POSSIBLE THAT TOO MANY  
BANKS AND BRANCHES HAVE BEEN ESTABLISHED IN RECENT  
YEARS.  
IRVING

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CLOSURE OF OFFICES, BANK BRANCHES, BUSINESS LOSSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978KINGST00626  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780043-0905  
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**Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
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**Subject:** FIRST NATIONAL CITY BANK ANNOUNCES CLOSURE OF ITS THREE BRANCHES  
**TAGS:** EFIN, JM, FIRST NATIONAL CITY BANK  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014